



# GENERAL ASSEMBLY

## COMMONWEALTH OF KENTUCKY

### 2006 REGULAR SESSION

---

HOUSE BILL NO. 742

AS ENACTED

---

WEDNESDAY, APRIL 12, 2006

---

RECEIVED AND FILED  
DATE April 22, 2006  
7:28 pm

TREY GRAYSON  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY Handie Adkins

AN ACT relating to home energy assistance.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

SECTION 1. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO  
READ AS FOLLOWS:

(1) As used in this section:

(a) "Voluntary energy cost assistance fund" means a fund that shall:

1. Be administered by a utility or provider for the purpose of receiving  
voluntary contributions from customers and disbursing subsidies to  
customers;

2. Be administered in coordination with one or more community action  
agencies that assist the Cabinet for Health and Family Services in  
administering federal Low-Income Home Energy Assistance Program  
(LIHEAP) funding; and

3. Be maintained in trust and separate from any customer assistance  
program otherwise implemented by the utility or provider;

(b) "Provider" means any person or persons, excluding an electric power  
system owned and operated by a municipality, that provide service to retail  
customers and that own, control, operate, or manage any facility used or to  
be used for or in connection with any activity described in KRS  
278.010(3)(a) or (b) but are not regulated by KRS Chapter 278; and

(c) "Fund" means a voluntary energy cost assistance fund.

(2) Any utility as defined in KRS 278.010(3)(a) or (b) that provides service to retail  
customers and that does not already administer an energy assistance program  
prior to the effective date of this Act may establish a fund.

(3) Any provider that does not already administer an energy assistance program  
prior to the effective date of this Act may establish a fund.

(4) A customer's voluntary monthly contribution amount to the fund shall be:

- 1       (a) An amount equal to the difference of the customer's monthly bill and the  
 2       amount of the next highest whole dollar; or  
 3       (b) A standard amount not to exceed one dollar (\$1).
- 4       (5) A customer may make a special contribution to the fund at any time in any  
 5       amount.
- 6       (6) Annual disbursements from the fund may be made in November and December  
 7       of each year by the utility or provider upon the recommendation of a community  
 8       action agency for the purpose of providing a utility or provider bill subsidy for  
 9       residential customers who:
- 10      (a) Use electricity or natural or manufactured gas as a principal source of  
 11      home energy;  
 12      (b) Are responsible for their home heating costs either directly or indirectly as  
 13      an undesignated portion of the rent;  
 14      (c) Have a total household income that is at or below one hundred ten percent  
 15      (110%) of the federal poverty guidelines as defined in KRS 205.5621;  
 16      (d) Have liquid monetary resources that do not exceed one thousand five  
 17      hundred dollars (\$1,500) if those liquid monetary resources are not used for  
 18      the medical and living expenses of a household member with a catastrophic  
 19      illness;  
 20      (e) Have liquid monetary resources that do not exceed four thousand dollars  
 21      (\$4,000) if those liquid monetary resources are used for the medical and  
 22      living expenses of a household member with a catastrophic illness; and  
 23      (f) Are a customer of the utility or provider.
- 24      (7) If available, additional disbursements from the fund may be made from January  
 25      1 through March 15 of each year by the utility or provider upon the  
 26      recommendation of a community action agency for the purpose of providing a  
 27      utility or provider bill subsidy for residential customers who:

- 1 (a) Use electricity or natural or manufactured gas as a principal source of
- 2 home energy;
- 3 (b) Are responsible for their home heating costs either directly or indirectly as
- 4 an undesignated portion of the rent;
- 5 (c) Have a total household income that is at or below one hundred ten percent
- 6 (110%) of the federal poverty guidelines as defined in KRS 205.5621;
- 7 (d) Have liquid monetary resources that do not exceed one thousand five
- 8 hundred dollars (\$1,500), if those liquid monetary resources are not used
- 9 for the medical and living expenses of a household member with a
- 10 catastrophic illness;
- 11 (e) Have liquid monetary resources that do not exceed four thousand dollars
- 12 (\$4,000), if those liquid monetary resources are used for the medical and
- 13 living expenses of a household member with a catastrophic illness; and
- 14 (f) Are utility or provider customers who:
  - 15 1. Have received a disconnect notice from the utility or provider;
  - 16 2. Are within four (4) days of running out of fuel oil, propane, kerosene,
  - 17 wood or coal; or
  - 18 3. Have received an eviction notice for nonpayment of rent, when heat is
  - 19 included as an undesignated portion of the rent.
- 20 (8) If available, additional summer cooling disbursements from the fund may be
- 21 made on a one (1) time basis from May through August of each year by the utility
- 22 or provider upon the recommendation of a community action agency for the
- 23 purpose of providing an air-conditioning unit to residential customers who:
  - 24 (a) Are responsible for their home heating costs either directly or indirectly as
  - 25 an undesignated portion of the rent;
  - 26 (b) Have a total household income that is at or below one hundred ten percent
  - 27 (110%) of the federal poverty guidelines as defined in KRS 205.5621;

- 1        (c) Have liquid monetary resources that do not exceed one thousand five  
2        hundred dollars (\$1,500), if those liquid monetary resources are not used  
3        for the medical and living expenses of a household member with a  
4        catastrophic illness;
- 5        (d) Have liquid monetary resources that do not exceed four thousand dollars  
6        (\$4,000), if those liquid monetary resources are used for the medical and  
7        living expenses of a household member with a catastrophic illness;
- 8        (e) Are a customer of the utility or provider;
- 9        (f) Do not have access to an air conditioner; and
- 10       (g) Have a household member who:
- 11                1. Has a health condition or disability that requires cooling to prevent  
12                further deterioration as verified by a physician's statement;
- 13                2. Is sixty-five (65) years of age, or older; or
- 14                3. Is under the age of six (6).
- 15       (9) For the six (6) month period from January 1 to June 30 of each year, each utility  
16       or provider that administers a fund shall provide a detailed report of costs in  
17       administering the fund and a detailed report of receipts to and disbursements  
18       from the fund to the commission no later than July 31, and for the six (6) month  
19       period from July 1 to December 31, no later than January 31 of the following  
20       year. Any balances remaining in the fund at the end of a year shall remain in the  
21       fund for use in succeeding years.
- 22       (10) The commission shall require all utilities as defined in KRS 278.010(3)(a) and (b)  
23       that administer a fund and provide service to retail customers in Kentucky to  
24       develop and implement a mechanism for soliciting and receiving contributions to  
25       the fund. The mechanism and format shall be approved by the commission and  
26       may include, but shall not be limited to, a check-the-box format. Contributions  
27       shall be made as described in subsections (4) and (5) of this section.

(11) Any provider that administers a fund shall comply with the requirements to implement a mechanism for soliciting and receiving contributions to the fund as provided in subsection (10) of this section.

(12) Those utilities and providers that are already administering an energy assistance program prior to the effective date of this Act shall not be subject to subsections (9), (10), and (11) of this section.

(13) All contributions to the fund shall be voluntary and shall be uniformly assessed monthly, except in the case of a special contribution, which can be made in any amount at any time, for all customers of the utility or provider. A customer shall not be subject to making contributions until such time as his or her intent is submitted to the applicable utility in a manner prescribed by the commission. A customer who no longer wishes to contribute to the fund shall be exempted from making further contributions to the fund once his or her intent is submitted to the applicable utility in a manner prescribed by the commission.

(14) Contributions received by utilities or providers, together with any interest accruing thereon, shall be transferred to the fund immediately upon receipt.

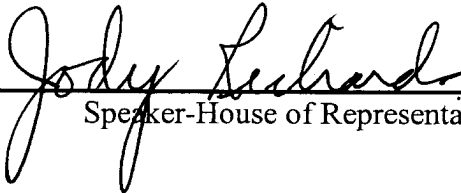
(15) A utility or provider that administers a fund may recover up to three percent (3%) of each contribution received for its costs in administering the fund. The commission shall allow any additional, reasonable cost a utility incurs in administering the receipt and disbursement of contributions to the fund in the cost of service of the utility for ratemaking purposes.


SECTION 2. A NEW SECTION OF KRS CHAPTER 96 IS CREATED TO READ AS FOLLOWS:


(1) An electric power system owned and operated by a municipality may establish a home heating assistance fund to receive voluntary contributions from customers to assist individuals in preventing the termination of home heating service.

(2) This fund may be administered by the electric power system or through a

1       *community action agency or charitable organization that identifies individuals in*  
2       *need and makes such assistance available. This fund shall be administered as*  
3       *described in Section 1 of this Act.*

  
\_\_\_\_\_  
Speaker-House of Representatives

  
\_\_\_\_\_  
President of the Senate

Attest:   
\_\_\_\_\_  
Chief Clerk of House of Representatives

Approved   
\_\_\_\_\_  
Governor

Date   
\_\_\_\_\_